

The complaint

Mr P has complained about the total loss settlement Admiral Insurance (Gibraltar) Limited paid when he made a claim under his car insurance policy.

What happened

Mr P's car was damaged by flood water and he made a claim to his insurer, Admiral.

Admiral instructed an independent engineer to inspect Mr P's car. They provided a market value of the car which Admiral relied on to settle Mr P's claim.

Mr P was unhappy with the valuation for his car. But Admiral said its valuation was correct.

Mr P asked us to look at his complaint. He was also unhappy that Admiral had paid the settlement to his bank account when he didn't agree with the amount.

One of our Investigators found that the engineer wasn't clear about the specification of Mr P's car when looking at adverts online, and had said more details would be required to provide a better compiled valuation. As Mr P's car was an import, the main motor trade guides which Admiral and we would usually look at were not available.

The Investigator asked Admiral why it hadn't addressed or replied to the advert examples Mr P had provided at the time, details of which were no longer available to view online, but listed as similar mileage to Mr P's car. And she asked whether Admiral or the engineer had carried out further checks in light of the engineer's difficulty in providing an accurate valuation.

Admiral provided a copy of the adverts the engineer relied on but didn't directly respond to the Investigator's other queries. The adverts the engineer provided were for cars with 50% more mileage than Mr P's. It didn't provide an explanation as to how it calculated its mileage adjustment.

Our Investigator carried out a search online for adverts for similar cars and could find ones with similar mileage to Mr P's based on the same criteria the engineer used, including similar cars that were six months older than Mr P's at the time of the incident. She found the average of the examples to be £1,452.65 more than the sum Admiral paid.

So she recommended Admiral pay the difference from the date it paid the original settlement to the date of payment, with interest at a rate of 8% simple interest a year.

Mr P accepted the Investigator's view. Admiral didn't agree. In summary it says it stands by the engineer's report. It says the adverts the Investigator used are unlikely to be from the date of loss, being October 2024.

So the case has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Like all standard motor insurance policies, Admiral says the most it will pay in the event of a claim is the market value of a car at the time of loss. It defines the term 'market value' as;

“The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. Use of the term ‘market’ refers to where your vehicle was purchased. This value is based on research from industry recognised motor trade guides.”

Our approach is to look at the main motor trade guides which provide valuations based on likely selling prices for a car of the same make, model, age, specification, condition and mileage as the customer's.

In this case as Mr P's car was an import, the guides didn't produce a valuation. So the engineer on behalf of Admiral looked at adverts online.

Key comments from the engineer's report are:

“Vehicle is an Import all we know is that the vehicle is TSI Blue motion. For a more accurate valuation we will require an accurate mileage and model.”

“I have considered all models of this vehicle in our valuation.”

And;

“Please note, the vehicles valuation shown has been calculated by the engineer using similar vehicle data as the exact model and/or year could not be identified within the valuation source and therefore is an estimated opinion valuation only.”

The adverts provided by the engineer to support a valuation of £6,690.60 were for cars with mileage double to Mr P's. The engineer decided an adjustment of £1,681 for the lower mileage of Mr P's car (included in the £6,690.60), but hasn't provided any details of how this figure was arrived at.

Mr P provided a list of examples he found online of similar adverts with mileage close to the mileage of his car. These examples brought the average to much higher than the engineer's.

Admiral hasn't shown that it explored or considered the adverts Mr P provided. Unfortunately, the details to support the prices are no longer available.

So our Investigator carried out checks for advertised cars using the same criteria as the engineer, and was able to find several cars with a similar mileage to Mr P's. Included in the examples are cars of a similar age to Mr P's car at the time of loss, so comparable.

On this basis, the average of the adverts came to £8,143.25.

I don't think Admiral hasn't been able to show it reached its valuation reasonably – as I cannot see how it decided the adjustment with cars not comparable in mileage to Mr P's – and no further research was done to establish the exact make and model of Mr P's car. So I find the valuation the Investigator reached in this case reflects a fair approach.

So I agree with the Investigator's recommendations as set out below.

I understand Mr P didn't accept the valuation Admiral reached. But we don't think an insurer is wrong to pay an interim payment to a customer so that they have funds to purchase a replacement car. And this doesn't prevent them from bringing their complaint to us.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to do the following:

- Increase the market value for Mr P's car to £8,143.25.
- Pay interest on the difference from the date Admiral originally settled the claim to the date it pays Mr P.

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 August 2025.

Geraldine Newbold
Ombudsman